BALANCED BUDGET RECONCILIATION/Hardrock Mining

SUBJECT: Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Domenici motion to table the Bumpers amendment No. 3030.

ACTION: MOTION TO TABLE AGREED TO, 55-44

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The Bumpers amendment would require the payment of fair market value for Federal lands patented for mining (the amendment would require the payment for both the surface value and the mineral value of the land; the reforms in the bill will require payment for the surface value of patented lands and will require royalty payments for minerals that are mined). Further, it would strike all the comprehensive mining law reform provisions from the bill except for the annual \$100 maintenance fee for each patented claim and the \$25 per claim location fee.

The amendment was offered after all debate time had expired. However, 1 minute of debate was permitted on the amendment, and a statement in opposition to it was inserted into the record. Following debate, Senator Domenici moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment (see vote No. 372 for related debate).

Those favoring the motion to table contended:

Senators have heard the rhetoric from our colleague from Arkansas on this issue many times in the past, and they have heard that rhetoric mindlessly repeated by the shabby excuse for reporters that America suffers from today. The truth is that many Senators, and allies in this Administration such as Secretary of Interior Babbitt, are not even remotely interested in reforming the mining industry--they are interested only in destroying it. We have gone into detail on this subject before (see vote No. 372), so at this point

(See other side)

| YEAS (55) | | | NAYS (44) | | | NOT VOTING (0) | |
|--|--|--|--|---|---|--|-----------------------------|
| Republicans Democrats | | Democrats | Republicans | Democrats | | Republicans | Democrats |
| | (48 or 91%) | (7 or 15%) | (5 or 9%) | (39 | or 85%) | (0) | (0) |
| Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Gramm Gramms Grassley Hatch Hatfield | Helms Hutchison Inhofe Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Specter Stevens Thomas Thompson Thurmond Warner | Baucus Bingaman Breaux Bryan Daschle Heflin Reid | Cohen Gregg Jeffords Smith Snowe | Akaka Biden Boxer Bradley Bumpers Byrd Conrad Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Hollings Inouye Johnston | Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Robb Rockefeller Sarbanes Simon Wellstone | EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired | nced Yea nced Nay Yea |

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we will instead describe for our colleagues the reforms that are in this bill. First, miners will be required to pay fair market value for the surface estate of patented land. Senators have often complained that some unscrupulous people have been able to gain patents for real estate with very valuable surface value by claiming they were going to mine it, and they have then used it for other purposes. In the future, they will pay the fair market value of that surface value. Second, if land is patented and then used for purposes other than mining, it will revert to the Federal Government. Third, miners will be required to pay a 2.5 percent Net Smelter Royalty for ores produced on Federal lands. Our colleagues have demanded royalties for years. We have pointed out that other countries provide subsidies instead of imposing this type of requirement, and we have pointed out that countries that impose large royalties lose their domestic mining industries, but our colleagues are not interested in facts, they are interested in royalties, so we have compromised with this provision. Finally, this bill will create an abandoned mine reclamation fund to clean up mines that polluted the environment, many as long ago as the 1800's, that will be paid for out of royalty receipts. In effect, we will be taxing current mining companies that have always been in full compliance with the stringent environmental laws that are currently on the books in order to pay for pollution caused by companies and individuals that ceased mining decades ago. We think it is unfair to make current mines pay to clean up messes they did not make, but again, we were willing to compromise. It is time for our colleagues to drop their rhetoric and join us in endorsing this comprehensive mining law reform proposal.

Basically, our colleagues are getting what they have claimed they have wanted all along in the way of hardrock mining reform--fair market value for the surface of patented lands, a royalty on minerals from the subsurface, a reverter clause to make sure patented lands are used only for mining, and a fund to clean up the messes that were made decades ago before there were environmental laws. Our colleagues, though, do not want reform. They have proposed the Bumpers amendment to strike all of the above-described reforms, and to instead impose a punitive requirement for mining companies to pay for both the surface and subsurface value of lands when they patent it. Frankly, if the current Federal mining laws were really the giveaway our colleagues claim, there would not have been anything left to give away long ago. Our domestic mining industry is in enough trouble already due to Secretary Babbitt's diligent efforts to prevent the opening of new mines; so far, it has declined by 13 percent under his reign. Agreeing to an amendment like the Bumpers amendment would totally decimate this already reeling industry, costing tens of thousands of jobs. We are firmly opposed to the destruction of our domestic mining industry; like-minded Senators should join us in rejecting the Bumpers amendment.

Those opposing the motion to table contended:

There seems to be some confusion over what fair market value is. Our colleagues want to sell Federal lands that have millions of dollars worth of gold and silver for their surface value. We think the Government should also be compensated for the minerals.